

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 PA-02 PRS-01 NSC-05

SS-15 STR-04 CEA-01 L-03 /098 W

-----251926Z 111106 /45

R 221555Z APR 77

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 9939

INFO USMISSION OECD PARIS

UNCLAS SECTION 1 OF 2 MADRID 3107

E.O. 11652: N/A

TAGS: EFIN, OECD, ETRD, ELAB, SP

SUBJECT: KEY SPANISH ECONOMIC STATISTICS - NUMBER 5

REF: MADRID 2000, MADRID 2762

1. THE INFLATION RATE APPARENTLY CONTINUES TO GROW, ALTHOUGH THE GOVERNMENT HAS RELEASED TWO FIGURES, RATHER THAN ONE: THE NEW CONSUMER PRICE INDEX SHOWS 3.03 PERCENT INFLATION IN JANUARY, AND THE 1968-BASE COL INDEX ROSE AN ESTIMATED 2.39 PERCENT IN THE SAME MONTH (SEE MADRID 2762). COMPARED TO LAST YEAR'S 20 PERCENT INFLATION IN THE COL INDEX, EITHER FIGURE INDICATES ACCELERATING PRICES. THE STOCK MARKET RESUMED ITS FALL SINCE OUR LAST CABLE, REACHING A NEW LOW AFTER THE ANNOUNCED LEGALIZATION OF THE SPANISH COMMUNIST PARTY. THE INDUSTRIAL PRODUCTION INDEX AND ITS TREND INDEX CONTINUE TO SHOW IMPROVEMENT. PRODUCTION IN DECEMBER 1976 WAS 9.0 PERCENT ABOVE THAT IN DECEMBER 1975, WHICH IN TURN HAD BEEN 6.6 PERCENT ABOVE DECEMBER 1974. (UNFORTUNATELY, THE NATIONAL STATISTICAL INSTITUTE CANNOT DETERMINE HOW MUCH OF THESE INCREASES CORRESPOND TO VOLUME AND HOW MUCH TO PRICE.) CONSUMER DURABLES AND MANUFACTURES FOR EXPORT HAVE BOTH BEEN STRONG. ALSO THE PERCENTAGE OF

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IMPORT COSTS COVERED BY EXPORTS CONTINUES TO INCREASE-- ALTHOUGH NOT ENOUGH TO INDICATE A SIGNIFICANT DECREASE IN THE MASSIVE DEFICITS SPAIN REGISTERS IN ITS EXPANDING FOREIGN TRADE.

2. A) OUT PUT AND DEMAND

(1) INDUSTRIAL PRODUCTION (BASE 1962 - 100)  
INDEX (1/76: 325.4; 7/76:363.0)

11/76 395.7  
 12/76 (PROV.) 383.8  
 INDEX (TREND) (1/76: 336.8; 7/76:354.4)  
 10/76 370.2  
 11/76 379.2  
 12/76 (PROV.) 388.2

(2) THE PREVIOUS REPORT CONTAINS THE CURRENT 1976 AND  
 1977 GDP ESTIMATES.

(3) DEPT. STORE RETAIL SALES (BASE 1963 - 100)

INDEX (1/76:1,622.9; 7/76: 1,619.5)  
 1/77 2,077.1  
 INDEX (TREND) (1/76: 1,261.0; 7/76: 1,355.8)  
 10/76 1,407.7  
 11/76 1,459.4  
 12/76 1,502.6  
 1/77 1,545.7

(4) STEEL PRODUCTION (1,000 TONS)

(1/76: 839.3; 7/76: 1,001.1)  
 12/76 930.5

(5) CEMENT PRODUCTION (1,000 TONS)

(1/76: 1,715; 7/76: 2,194)  
 12/76 2,088

(6) ELECTRICITY CONSUMPTION (MILLION KWH)

(1/76: 7,686.1; 7/76: 7/014.1)  
 1/77 8,325.4

(7) MADRID STOCK MARKET INDEX

(NEW SERIES IS NOW BASED ON DEC. 31,1976 - 100)

(DEC. 31, 1975 - 100 DEC. 31, 1976 - 71.44)

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#### B) PRICE INDEXES

(1) CPI (1968 - 100)

INDEX (1/76: 204.7; 7/76: 226.0)

12/76 242.3

1/77 248.1 (1968 INDEX)

1/77 T3.03 PERCENT (1976 INDEX,  
 NO INDEX NUMBER AVAILABLE)

INDEX (TREND) 1968 - 100)

(1/76: 204.9; 7/76: 227.4)

12/76 242.7

(2) WPI (1955 - 100)

INDEX (1/76: 364.5; 7/76: 382.7)

12/76 420.0

1/77 (PROV.) 421.8

INDEX (TREND)

(1/76: 364.2; 7/76: 391.0)

12/76 418.6

#### C) MONEY SUPPLY

(1) M1 (BILLIONS PESETAS) (SEAS. ADJUSTED)

(1/76: 1,850.8; 7/76: 2,024.1)  
12/76 (PROV.) 2,199.0  
(2) M2 (BILLIONS PESETAS) (SEAS. ADJUSTED)  
(1/76: 5,157.6; 7/76: 5,619.9)  
12/76 (PROV.) 6,062.4  
(3) REPRESENTATIVE SHORT TERM INTEREST RATE  
(1/76: 11.4 PERCENT; 7/76: 17.4 PERCENT)  
12/76 8.0 PERCENT  
1/77 12.8 PERCENT  
(4) REPRESENTATIVE LONG TERM INTEREST RATE  
(UNCHANGED DURING YEAR)  
12/76 14 PERCENT

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INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 PA-02 PRS-01 NSC-05  
SS-15 STR-04 CEA-01 L-03 /098 W  
-----251927Z 112202 /45

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D) CENTRAL GOVERNMENT (NARROWLY DEFINED)

(1) DEFICIT OR SURPLYS (BILLIONS PESETAS)  
(1/76: -5.2; 7/76: 7.8)  
12/76 (PROV.) -5.1  
(2) EXPENDITURES (BILLIONS PESETAS)  
(1/76: 52.4; 7/76: 93.8)  
12/76 (PROV.) 110.3  
(3) REVENUES (BILLIONS PESETAS)  
(1/76: 47.3; 7/76: 101.6)  
12/76 (PROV.) 105.2  
(4) NET GOVERNMENT FINANCE (BILLIONS PESETAS)  
(1/76: 2.5; 7/76: -7.0)  
12/76 (PROV.) -13.7

E) LABOR

(1)-(2) NO NEW EMPLOYMENT OR UNEMPLOYMENT SURVEY FIGURES  
(3) NO NEW EMIGRATION STATISTIC

(4) WAGE INDEXES (1967 - 100)

INDEX (1/76: 380.2; 7/76: 715.2 PROV)

10/76 (PROV.) 472.1

11/76 (PROV.) 453.1

INDEX (TREND) (1/76: 419.9; 7/76: 491.1 (PROV)

9/76 (PROV.) 507.5

10/76 (PROV.) 513.6

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11/76 (PROV.) 519.7

F) TRADE AND PAYMENTS

(1) EXPORT VALUE FOB (MILLIONS OF DOLLARS)

(1/76: 827.6; 7/76: 765.9)

2/77 (\$1 - 69.02) 899.0

3/77 (\$1 - 68.90) 919.4

(BILLIONS PESETAS) (1/76: 49.4; 7/76: 52.0)

2/77 62.0

3/77 63.3

(2) IMPORT VALUE CIF

(MILLIONS OF DOLLARS) (1/76: 1,361.5; 7/76: 1,414.3)

2/77 (\$1 - 69.02) 1,574.0

3/77 (\$1 - 68.90) 1,494.0

(BILLIONS OF PESETAS) (1/76: 81.3; 7/76: 96.1)

2/77 108.6

3/77 103.0

(3) EXPORT VOLUME (MILLION METRIC TON)

(1/76: 2.3; 7/76: 2.3)

2/77 2.7

3/77 2.7

(4) IMPORT VOLUME (MILLION METRIC TONS)

(1/76: 6.4; 7/76: 7.1)

2/77 6.4

3/77 6.2

(5) CURRENT ACCOUNT DEFICIT (BEFORE ADDITION OF  
STANDARD RATIO ADJUSTMENTS) (MILLIONS DOLLARS)

(1/76: 276.6; 7/76: 482.3)

11/76 372.6

12/76 464.1

(FROM JAN TO DEC 1976) 3,986.3

(6) FOREIGN EXCHANGE RESERVES (MILLIONS OF DOLLARS)

(1/76: 5,874.8; 7/76: 5,084.4)

1/76 4,753.0

(7) NO NEW EXTERNAL DEBT STATISTIC. STABLER

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## Message Attributes

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**Review Markings:**  
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